

**Exhibit C**

**Reserve Correction Notice**

**1903P Loan Agent, LLC  
c/o Gordon Brothers Group LLC  
800 Boylston Street, 27th Floor  
Boston, MA 02119**

September 6, 2024

**VIA OVERNIGHT COURIER SERVICE AND EMAIL**

Jo-Ann Stores, LLC  
5555 Darrow Road  
Hudson, OH 44236  
Attn: Jeffrey Dwyer, Interim CFO ([jdwyer@alvarezandmarsal.com](mailto:jdwyer@alvarezandmarsal.com))

Bank of America, N.A.  
100 Federal Street  
Boston, MA 02110  
Attn: Courtney Kolb ([courtney.kolb@bofa.com](mailto:courtney.kolb@bofa.com))

Re: FILO Deficiency Reserve Correction Notice

Ladies and Gentlemen:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement, dated as of April 30, 2024 (the “Credit Agreement”) by and among Jo-Ann Stores, LLC (the “Company” or “you”), the other Loan Parties party thereto, the FILO Lenders and other Lenders party thereto, Bank of America, N.A., as Administrative Agent and Collateral Agent, and 1903P Loan Agent, LLC, as FILO Documentation Agent (the “FILO Documentation Agent”, “we” or “us”). All capitalized terms not otherwise defined herein shall have the same meaning as in the Credit Agreement.

The FILO Documentation Agent, by written notice to the Company and the Administrative Agent dated and delivered on August 16, 2024 (the “FILO Availability Reserve Notice”), implemented an Availability Reserve against the FILO Borrowing Base in the amount of \$10,000,000 (the “FILO Availability Reserve”), which increased the existing FILO Deficiency Reserve by the same amount.

The FILO Documentation Agent consulted with the Administrative Agent prior to establishing the FILO Availability Reserve (including a telephone conversation between Kyle Shonak of Gordon Brothers and Jennifer Cann of Bank of America on August 16, prior to the issuance of the FILO Availability Reserve Notice) and has remained available to discuss the FILO Availability Reserve with the Company and the Administrative Agent. Moreover, the FILO

Documentation Agent has provided facts and detailed calculations to both the Company and the Administrative Agent and specifically explained on calls how the Company's underperformance and adverse inventory conditions, among other factors, are not sufficiently accounted for in the current Net Recovery Percentages and Shrink Reserves, resulting in a material overstatement of the FILO Borrowing Base.

In light of the foregoing and in accordance with the relevant provisions of the Credit Agreement, the FILO Availability Reserve is now in effect.

In the Borrowing Base Certificate most recently delivered by the Company on September 4, 2024 (the "September 4th Borrowing Base Certificate"), the Company failed to include the FILO Availability Reserve, resulting in an inaccurate calculation of the FILO Deficiency Reserve and the Borrowing Base. In accordance with Section 2.19(a) of the Credit Agreement, the FILO Documentation Agent hereby notifies the Company and the Administrative Agent of such inaccuracy and requests and directs the Administrative Agent to adjust the amount of the FILO Deficiency Reserve and the Borrowing Base accordingly. With respect to the September 4<sup>th</sup> Borrowing Base Certificate specifically, the FILO Deficiency Reserve shall be increased from \$10,142,412 to \$20,142,412. This letter shall constitute a FILO Deficiency Reserve Correction Notice for purposes of Section 2.19(a) of the Credit Agreement.

Please note that, pursuant to Section 2.19(a) of the Credit Agreement, "In the event of any discrepancy or dispute between the FILO Documentation Agent and the Borrower as to the amount of any FILO Deficiency Reserve, the Administrative Agent shall rely (and shall be entitled to rely) solely on the calculation of the FILO Deficiency Reserve as determined by the FILO Documentation Agent and shall have no liability to any Person for doing so."

Nothing contained in, or omitted from, this letter shall constitute an amendment or waiver by the FILO Secured Parties of any provision of the Credit Agreement or any other Loan Documents, and all provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect. The delivery of this letter and the FILO Documentation Agent's or other FILO Secured Parties' failure to exercise, or delay in exercising, any right, remedy, power or privilege under the Credit Agreement and the other Loan Documents shall not operate as a waiver or amendment thereof or waive, affect or diminish any right of the FILO Documentation Agent and the other FILO Secured Parties thereafter to demand strict compliance and performance therewith.

*[Signature Page Follows]*

Sincerely,

**1903P LOAN AGENT, LLC,**  
as FILO Documentation Agent

By: 

Name: Kyle Shonak

Title: Senior Managing Director

cc: Morgan, Lewis & Bockius LLP (Attn: Marjorie S. Crider)  
Latham & Watkins LLP (Attn: Mark Morris)